



To:	Sales and Use Tax Subcommittee
From:	Roxanne Bland, MTC Counsel
Date:	November 21, 2012
Subject:	Telecommunications Sourcing and Definitions Resolution

In 2007, the representatives from the telecommunications industry made a presentation to the MTC regarding a possible uniformity project that consisted of a proposal for telecommunications centralized administration, a proposal for telecommunications definitions and sourcing rules, and a proposal to draft a statute to minimize the industry's exposure to class action lawsuits. The Executive Committee passed the possible project to the Uniformity Committee for its consideration.

The Committee decided to take up the project. First, it divided the project into subprojects, because each involved different considerations. The first project to be completed was the telecommunications centralized administration subproject, which is now an official MTC uniformity recommendation to the states.

The second subproject concerns the industry's request for uniform telecommunications definitions and sourcing rules. However, the Streamlined Sales and Use Tax Agreement already contains these provisions.¹ Rather than repeat or reconsider what Streamlined has already accomplished, the committee determined that perhaps a resolution would be appropriate.

On November 20, 2012, this subcommittee held a teleconference to review a draft resolution, and made several suggested changes. The revised draft resolution is attached.

¹ Sourcing provisions: Section 315. Telecommunications Definitions: Library of Definitions, Appendix C, Part II. <http://www.streamlinedsalestax.org/uploads/downloads/Archive/SSUTA/SSUTA%20As%20Amended%205-24-12.pdf>